(a) whether the Government are aware of the grievances of L.I.C. employees who retired prior to January 1, 1986, about Pension Benefits;

(b) if so, the steps taken by the Government to redress the same;

(c) whether retired Class I Officers were given different treatment within the class by introducing a new phenomena of cut-off dates while releasing the arrears of salary/gratuity/pension on account of revision of scales with effect from August 1, 1992; and

(d) if so, the steps being taken by the Government to remove the following anomalies;

(i) the denial of arrears of salary and revised pension to pensioners retired between August 1, 1992 to Mach 31, 1993;

(ii) denial of difference in gratuity to those retired between August 1, 1992 to July 31, 1994;

(iii) treating the officers promoted before April 1, 1973 differently from those promoted after April 1, 1993 as Class I Officers by completely denying the former the benefit of gratuity on account of revision?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI SATPAL MAHARAJ) : (a) and (b) The pension scheme which was introduced in the Life insurance Corporation of India (LIC) w.e.f. 1.11.1993 is applicable to those who retired w.e.f. 1.1.1986 or later. The pension scheme was introduced in lieu of erstwhile Contributory Provident Fund scheme. Representations were received to include pre-1.1.1986 retirees also under the pension scheme. On account of financial and administrative constraints, it was not possible to extend the pension scheme to pre-1986 retirees.

(c) and (d) Even though the revision of pay scales of Class I Officers was w.e.f. 1.8.1992, taking into account the cost constraints the effective dates for drawal of benefits such as arrears of pay, enhanced gratuity and other allowances was staggered and is uniformly applicable to all Class-I Officers of the LIC.

Tax Dues Against Airlines

654. SHRIMATI LAKSHMI PANABAKA : Will the Minister of FINANCE be pleased to state:

(a) whether a number of foreign airlines have become defaulters in regard to payment of tax on income;

(b) if so, whether the Delta Airlines and the United Airlines have not paid tax on income collectively amounting to Rs. 800 crores which they earned in India during the last few years;

(c) if so, the details thereof;

(d) whether the Delta Airlines have not paid tax since 1991;

(e) if so, the details thereof;

(f) whether the US Airlines have also not paid tax since 1995; and

(g) if so, the details thereof and the action proposed to be taken by the Government against these airlines for non-payment of tax?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI SATPAL MAHARAJ) : (a) Only three foreign airlines are reported to have become defaulters in regard to payment of tax on income.

(b) to (g) As per Article 8 of Double Taxation Avoidance Agreement between India and USA, the income of airlines based in USA are subject to tax in USA only.

However, notice have been issued to M/s Delta Airlines for assessment year 1992-93 to 1996-97 to bring to tax its income other than the income from business operations of airlines. The returns have been filed by M/s Delta Airlines in response to these notices.

Similarly, enquiries have also been made in respect of M/s United Airlines to bring to tax its income other than the income arising from its airlines operations.

Additional Central Financial Assistance to States

655. DR. Y.S. RAJASEKHARA REDDY: Will the Minister of FINANCE pleased to state:

(a) the total additional central financial assistance sought by the various States particularly Andhra Pradesh during each of the last three years.

(b) the details of funds allocated by the Union Government during the above period,—projectwise;

(c) whether any additional assistance has been sought during the current financial year; and

(d) if so, details thereof?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI SATPAL MAHARAJ) : (a) to (d) The Annual Plans of States are finalised by the Planning Commission to be funded by States' own resources and Centrally allocated resources like market borrowings negotiated loans and Central Assistance. The Annual Plans are fully funded. This Central Plan Assistance consists of Normal Central Assistance, Additional Central Assistance for Externally Aided Projects. Central Assistance for Centrally Sponsored Schemes transferred

to States and Special Central Assistance for Area Programmes. The States are given funds under the above items as per their entitlement/allocation. The States do approach the Central Government for additional assistance due to special circumstances. The Central Government, keeping in view its resource constraints and financial implications, provides Additional Assistance in very special cases. Based on the information available in the Ministry of Finance, a Statement, showing details of the requests received from the State Governments during the last three financial years *i.e.* 1994–1997 and the current financial year is enclosed. The requests seeking preponed releases of future entitlements, assistance in the wake of natural calamities, and deferment of repayment obligations are not included in this category of requests.

Statement

Addition Central Financial Assistance sought by States and amount Provided by the Ministry of Finance During 1994–95 to 1997–98 (Upto 18.11.97)

Sl. No.	State	Amount (Rs. in crore)	Purpose	Remarks/Amount provided (Rs. in crore)
1	2	3	4	5
1994–95				
1.	Andhra Pradesh	250.00	For implementing the balance component of AP Irrigation-II Project.	Not agreed to.
2.	Assam			
	(i)		Moratorium on the repayment of all outstanding loans including interest for five years.	-do-
	(ii)	220.00	Additional market borrowing	30.00
	(iii)	300.00	Advance plan assistance for covering the closing deficit of 1993–94.	Not agreed to.
3.	Himachal Pradesh			
	(i)	550.00	Against outstanding loans of Rs. 1100 crore due from neighbouring States on account of share of energy from Bhakra and Beas Management Board (BBMB) system and supply of power to these States.	-do-
	(ii)	100.00	To give effect to the Supreme Court's order to enhance wages to all the daily wages employees in Government Sectors in the State.	-do-
	(iii)	268.74	To convert the advance plan assistance of Rs. 268.74 crore provided during 1993–94, as outright grant or a long term loan.	

1	2	3	4	5
4.	J & K			
	(i)	555.00	Advance Plan Assistance to cover budgetary deficit.	Rs. 973.00 as special plan assistance given.
	(ii)	185.00	For Security related expenditure.	
	(iii)	733.00	Rescheduling of Rs. 733.00 crores payable during the year 1994–95 without effecting recoveries.	
5.	Kerala	100.00	Additional market borrowing	50.00
6.	Manipur			
	(i)	35.00	To liquidate the outstanding liabilities	Not agreed to.
	(ii)	119.00	Special package for economic development of Manipur	-do-
	(iii)	10.00	Request for various schemes drawn up by the State Government for combating militancy.	-do-
7.	Meghalaya	50.00	Ways & Means Advance/short term loan to clear the overdraft	-do-
8.	Nagaland			
	(i)	152.75	To cover opening deficit, D.A. on Central Government pattern etc.	12.00 (plan-loan)
	(ii)	80.00	Advance Plan Assistance/Ways & Means Advance to tide over acute financial crisis.	Not agreed to.
9.	Orissa	250.00	Medium term loan to bridge gap in resources for funding the State's Annual Plan 1994–95	-do-
10.	Punjab	310.00	To bridge the gap in resources for the Annual Pan 1994–95 and completion of major Power Projects.	No additional Central assistance was given. However, the State Government was allowed to raise additional market borrowings Rs. 100 crore.
11.	Tripura	—	State Govt. requested for Rs. 50 crore grant, Rs. 100 crore interest free loan and 10% additional Central assistance.	Not agreed to.
12.	Uttar Pradesh			
	(i)	51.50	For providing 50% of the expenditure of the local cost of Anpara 'B' Thermal Power Project.	-do-

1	2	3	4	5
	(ii)	24.00	Additional Central Assistance against Advance Plan Assistance given in 1993–94 for debt relief to weavers.	Not agreed to.
B. 1995–96				
1.	Arunachal Pradesh	20.20	For construction of Capital Project	Addl. Central Assistance of Rs. 2 cr. released as approved by Ping. Comm.
2.	Andhra Pradesh			
	(i)	636	Additional Central Assistance (ACA) of Rs. 636 crores as additional Plan support for Annual Plan 1995–96.	Not agreed to.
	(ii)	150	Request for ways and means advance.	-do-
	(iii)	—	ACA to compensate the State for revenue losses due to the implementation of Prohibition Policy and also due to implementation of Rs. 2 per Kg. Rice Subsidy Scheme.	-do-
3.	Assam			
	(i)	50.00	One time grant for Bodoland Autonomous Council	-do-
	(ii)	136.00	To convert Ways & Means advance given in April, 1996 medium term loan.	-do-
4.	Himachal Pradesh	516.00	To meet State's financial requirements on account of closing deficit of Rs. 416.00 crores for 1994–95 and Rs. 100 crores on account of liability due to Supreme Court Judgement on enhancement of wages of daily-wage employees in the Government Sectors in the State.	-do-
5.	J & K	71.00	For meeting the requirement of the State Government for interim relief to their employees on Central pattern.	Rs. 42.34 crore as add. assistance provided.
		67.00	Addl. Grant for import of Power.	Not agreed to.
		155.21	Reimbursement of balance amount out of Rs. 251.21 crore related to security items.	Rs. 143.16 crore
6.	Manipur	18.50	To strengthen State Police force.	Rs. 1.75 crore released by MHA.

1	2	3	4	5
7.	Mizoram	11.44	Spl. grant in aid to the extent of Rs. 11.44 crore equal to the shortfall in budget estimates 1995–96 as against the estimates of TFC for share in Central Taxes.	Not agreed to.
8.	Orissa	2100.00	To write of loans	-do-
9.	Punjab	259.00	To expedite major Power Projects including Ranjit Sagar Dam.	-do-
10.	Tripura	18.95	To meet gap between the TFC award and estimated devolution from the Government of India for 1995–96.	-do-
11.	Uttar Pradesh			
	(i)	31.00	For waiver of loans of weavers of the non-rural areas.	-do-
	(ii)	772.54	For clearing the dues of UPSEB to REC upto March, 1995 on account of Rural Electrification Programme in the State.	-do-
1996–97				
1.	Andhra Pradesh			
	(i)	636	Additional Central Assistance of Rs. 636 crores as Additional Plan support for Annual Plan 1995–96.	-do-
	(ii)	150	Conversion of W&M advance into term loan	-do-
	(iii)	–	ACA to compensate revenue losses due to implementation of Prohibition Policy.	-do-
2.	Assam			
	(i)	326	To cover the excess expenditure incurred on internal security measures during 1990–95.	Rs. 131.91 crore agreed to.
	(ii)	30	For relief & rehabilitation measures for the arson victim families in Kokrajhar and Bongaigaon districts.	Rs. 25 crore agreed to.
	(iii)	500	To improve budgetary resources.	Not agreed to.
	(iv)	1000	Construction of the permanent capital.	
3.	Bihar	—	Special Central assistance for completion of 4 irrigation projects.	-do-

1	2	3	4	5
4.	Haryana	300	To convert medium term loan of Rs. 300 crores released during 1995–96 as 50% loan and 50 grant	Not agreed to.
5.	Himachal Pradesh			
	(i)	500	Request for long term soft loan of Rs. 500 crs.	-do-
	(ii)	800	For outright grant for long term loan to meet recurring liabilities due to Supreme Court's judgement as well as Punjab Pay Scale revision.	-do-
6.	J & K			
	(i)	378.50	To release the funds on account of special plan assistance and spl. plan loan at the level of 1995–96.	-do-
	(ii)	351.94	To provide special financial assistance of Rs. 351.94 crs. to bridge the uncovered gap in the BE 1996–97.	-do-
	(iii)	67.94	To defer recovery of power dues through the mechanism of Central appropriation during 1996–97.	-do-
7.	Karnataka	400	Additional Central assistance for Govt. Owned factory NGEF to solve financial difficulties.	-do-
8.	Manipur	40	For release of one time financial assistance as special allocation for National Games 1997 instead of releasing the amount in 1996–97 & 1997–98.	Min. of Human Resource Development have sanctioned a State level Training complex with Central assistance of Rs. 131 lakh. Rs. 87.50 lakh released.
		120	For State Capital Project.	Not agreed to.
9.	Mizoram			
	(i)	45.00	Request for long term loan of Rs. 45 crores to cover the State's opening deficit of the year 1996–97	-do-

1	2	3	4	5
10.	Nagaland			
	(i)	1.25	For carrying out the land slides studies of Kohima town for Geo-Environmental studies.	Not agreed to.
	(ii)	55.07	To clear the pending bills of work done but payment not yet made by State Govt. due to financial crunch.	Released Rs. 7.11 crs.
	(iii)	19.54	To make good the short fall of Rs. 19.54 cr. due to difference in estimates of share in Central Taxes as made by TFC and share of Central taxes as provided in the Central budget.	Not agreed to.
	(iv)	18.00	Revalidation of the Spl. Plan loan of Rs. 18 crore (out of the Spl. plan loan of Rs. 30 crore) which was adjusted against the addle. central assistance of an equal amount.	-do-
	(v)	225.98	Write off of Central loans.	-do-
11.	Punjab	250	For completion of Ranjit Sagar hydro electric proj.	-do-
12.	Uttar Pradesh	200	Additional funds and W & M advance for clearance of pending bills of Sugarcane growers.	-do-
1997–98				
1.	Andhra Pradesh	393.00	Medium term loan.	Not agreed to. However, the State Govt. was helped by way of advance Additional Central assistance of Rs. 263 crore for Externally aided projects and W & M advance of Rs. 72 crore.
2.	Assam	500.00	1. Spl. Central assistance to meet the gap in resources.	Not agreed to.
3.	Gujarat	—	Addl. Central assistance to meet expenditure on revised pay scales.	-do-

1	2	3	4	5
4.	Haryana	2650	Additional Central Assistance, special grant for expenditure incurred on Police Force for maintenance of Law & Order during 1983–84 to 1994–95 due to terrorism in Punjab and loss of Revenue collection in Sales Tax and low income in Roadways.	Not agreed to.
5.	Jammu & Kashmir	550.00	To meet addl. burden to implement Vth Pay Commission report.	-do-
6.	Karnataka	200.00	Additional Central Assistance for Govt. Owned factory NGEF to solve financial difficulties.	-do-
7.	Kerala	30	Additional Central Assistance for KELTEC.	-do-
8.	Madhya Pradesh	100.00	To compensate the loss resulting from the recommendation of TFC.	-do-
9.	Maharashtra	—	Addl. Central Assistance to meet expenditure on revised pay scales.	-do-
10.	Manipur	41.00	APA or W & M advance to cover opening deficit.	W&M advance of Rs. 20 crore and Rs. 5 crore.
		35.00	W & M advance.	W&M advance of Rs. 38 crore given
11.	Mizoram	117.34	Medium term loan.	Not agreed to.
12.	Nagaland	90	Advance Plan Assistance	-do-
13.	Rajasthan	372	Mediumterm loan to bridge the gap in resources or W & M advance of Rs. 381 crore.	Rs. 385 crore as W&M advance given.
			Additional central support to implement Pay Commission report.	Not agreed to.
		300	W&M advance.	Not agreed but Dec., 1997 instalment of Normal Central assistance released.
14.	Tamilnadu	2000	To implement Central Pay Commission's Report.	Not agreed.